

Avista Utilities
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Spokane, Washington 99220-3727
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Toll Free 800-727-9170



June 5, 2007

Ms. Gwen Fransen
Idaho Department of Environmental Quality
2110 Ironwood Parkway
Coeur d'Alene, ID 83814

Dear Ms. Fransen:

I am writing regarding the pending application of Avista Corporation for certification of its Post Falls Hydroelectric Project (Project) by the Idaho Department of Environmental Quality (IDEQ) under Section 401 of the Clean Water Act. That application was submitted to IDEQ on July 12, 2006.

As we have discussed, it appears advisable that IDEQ have sufficient time to appropriately consider the large amount of information and input that has been generated regarding the Project in order to complete its review and deliberations on our application. At the same time, IDEQ and Avista also intend to avoid lengthy delays in the process and are interested in moving forward in a timely manner to resolve issues related to the Post Falls Project. Consequently, you and I have committed our best efforts toward finalizing a Section 401 Certification within 90 to 120 days of the current certification deadline.

Based on that understanding, Avista hereby withdraws its July 12, 2006 application for certification and reapplies for Section 401 Certification of the Post Falls Project. All materials that have been submitted to IDEQ or placed in the record with the Federal Energy Regulatory Commission (FERC) to date are hereby incorporated by reference and resubmitted as part of this application.

I would appreciate your providing a date-stamped copy of this letter, so that I can forward it to FERC. Please call me at (509) 495-2941 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Bruce Howard".

Bruce Howard
Spokane River License Manager
Avista Utilities

cc: Jim Bellatty, Washington Department of Ecology

Received by:

A handwritten signature in blue ink, appearing to read "Gwen Fransen".
Gwen Fransen

6/5/07
Date

